Impact of crude prices on taxes/duties paid by Oil Companies

1001. SHRI TAPAN KUMAR SEN:
SHRI MOHAMMED AMIN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the amount of taxes/duties/cess paid by Public Sector Oil Marketing Companies (OMCs) during the 1st quarter of 2007-08;

(b) whether the rise in crude oil price has any impact on the taxes/duties paid, because of ad-valorem nature of taxes;

(c) if so, whether Government are changing tax/duty structure from 'ad-valorem' to 'fixed'; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Provisional revenue collection from the petroleum sector from customs and excise duties during the 1st quarter of 2007-08 is reported to be Rs.18, 010 crore.

(b) Crude oil is leviable at basic customs duty of 5% ad valorem. The amount of customs duty collected from crude oil is a function of both quantity imported and value.

(c) and (d) The Government have taken measures to rationalize taxes/duties on crude oil. Accordingly, the customs duty on crude oil was reduced from 10% to 5% with effect from 1.3.2005 and have also reduced 'ad-valorem' component in Excise duty on Petrol & Diesel. The custom and excise duties on domestic LPG and PDS kerosene have been reduced to 'NIL'.

Under recoveries by Oil Companies

1002. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the profit after tax earned by Public Sector Oil Companies during the years, 2004-05, 2005-06, 2006-07;

(b) the dividend paid by the companies during these periods;

(c) the amount of under recoveries notionally assessed by the companies during these years;

(d) whether under recoveries are being taken into account before deciding dividend; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The profit after tax and dividend paid by the major oil PSUs are as follows:

(Rs. crore)

Name of the major Oil PSUs	Profit After Tax			Dividend Paid (including dividend tax)		
	2004-05	2005-06	2006-07	2004-05	2005-06	2006-07
ONGC	12983.05	14430.78	15642.92	6480.00	7316.70	7643.00
HPCL	1277.33	405.63	1571.17	580.15	116.08	708.55
BPCL	965.80	291.65	1805.48	581.87	262.97	350.11
GAIL	1954.00	2310.00	2387.00	769.03	964.25	969.27
OIL	1061.68	1689.93	1639.99	389.64	646.65	639.21
IOCL	4891.38	4915.12	7499.47	2707.35	1331.82	2468.93

(c) The amount of under recoveries of oil marketing companies on sale of sensitive petroleum products, *i.e.* petrol, diesel, PDS kerosene and domestic LPG are given as under:

(Rs. crore)

	2004-05	2005-06 (Prov.)	2006-07 (Estimated)
Under recovery	20146.00	40000.00	49387.00

(d) Yes, Sir.

(e) Does not arise.

Price stabilization fund

1003. SHRI PRASANTA CHATTERJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have accepted the recommendation of the Parliamentary Standing Committee on Petroleum and Natural Gas to form Price Stabilization Fund with the money collected through cess on crude oil produced by ONGC and OIL;

(b) if not, whether Government will review again in view of present hike in crude price and its impact on Public Sector OMCs; and

(c) if not, the reasons, therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) The Government has considered the recommendation of the Parliamentary Standing Committee on Petroleum and Natural Gas to form Price Stabilization Fund with the money collected through cess on crude oil produced by ONGC and OIL. Government has been taking all possible measures to ensure that there is no hardship to common man on account of high international